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FISCAL IMPACT STATEMENT

LS 7228

BILL NUMBER: HB 1632

NOTE PREPARED: Jan 15, 2007

BILL AMENDED:

SUBJECT: Property taxes.

FIRST AUTHOR: Rep. Friend

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill changes from August 10 to October 30 the date by which certain actions on a political subdivision's budget, rate, and levy must be taken and by which the county auditor must mail a property tax information statement to each taxpayer. This change applies beginning in 2009.

The bill provides that the statement, instead of a published notice, triggers the taxpayer's opportunity for appeal of a political subdivision's budget, rate, and levy to the Department of Local Government Finance (DLGF). The bill also provides that the statement does not trigger a taxpayer's right to appeal to the county property tax assessment board of appeals a property assessment (PTABOA) for which notice was not given.

This bill removes limitations on the DLGF's authority to increase a political subdivision's budget, rate, and levy. It also requires the DLGF to prescribe a post card form to give taxpayers notice of assessment actions.

Effective Date: Upon passage; July 1, 2007.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: *Taxpayer Statements:* Under current law, beginning in 2009, county auditors must mail a statement to each taxpayer by August 10 of the assessment year that contains the property's assessed value and estimated taxes for the upcoming year. *This bill* would change the mailing

deadline from August 10 to October 30. This provision would give the auditor more time to make the estimates and to print and mail the statements.

Assessment Appeals: Under current law, for taxes payable in 2010 and later, for an appeal of an assessment to be effective with taxes payable in the next year, the a request for a preliminary conference with the assessor must made within 45 days of an assessment change notice, if given, or 45 days of the taxpayer statement if no change notice is given.

Under this bill, the deadline to request a preliminary conference would be 45 days of an assessment change notice, if given, or May 10th of the assessment year if no change notice is given. If no change notice is given, this provision would shorten the time to initiate an appeal from a deadline as late as September 25th to May 10th.

Budget Appeals: Under current law, at least 10 taxpayers or one taxpayer who owns property that represents at least 10% of a taxing unit's assessed value may initiate an appeal of the county board of tax adjustment's action on the taxing unit's budget and tax levy by filing objections with the county auditor within 10 days of the county auditor's public notice of tax rates.

Under this bill, beginning in CY 2009, a single taxpayer would be permitted to initiate an appeal of the taxing unit's proposed budget, tax levies, and tax rates by filing objections with the county auditor within 10 days after the taxpayer statement is mailed.

DLGF Changes: Under current law, the DLGF may increase a taxing unit's tax levy to an amount greater than originally fixed by the taxing unit if requested by the taxing unit because of a mathematical error or based on information obtained at the public budget hearing. This bill would remove the restrictions on when the DLGF could increase a tax levy.

Postcards: Beginning in CY 2008, notice of assessment actions would be made on a postcard that would be designed by the DLGF before January 1, 2008. Postcards would be used in place of the current method in each county, some of which may currently use a postcard. The fiscal impact of this provision is currently indeterminable but would likely involve programming and printing costs to institute use of the postcards.

State Agencies Affected: Department of Local Government Finance.

Local Agencies Affected: Township and county assessors; County auditors; County property tax assessment boards of appeals.

Information Sources:

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